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ON 7/28/06

Attorney for Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

* * * * *

IN RE:

Case No. BK-N-03-53933

THE HELPING ANGELS, INC.,

(Chapter 11)

Debtor.

**TRUSTEE'S MOTION TO
CONVERT CASE TO CHAPTER 7
LIQUIDATION PROCEEDING**

Hrg. DATE:
Hrg. TIME:
Est. TIME: 5 minutes
Set By: Set by

COMES NOW ANGELIQUE CLARK, Trustee for THE HELPING ANGELS, INC., Debtor herein, by and through her attorney STEPHEN R. HARRIS, ESQ., of BELDING, HARRIS & PETRONI, LTD., and files her TRUSTEE'S MOTION TO CONVERT CASE TO CHAPTER 7 LIQUIDATION PROCEEDINGS, and alleges as follows:

1. THE HELPING ANGELS, INC. filed is Voluntary Petition for Chapter 11 relief on November 25, 2003. On May 16, 2006, ANGELIQUE CLARK was appointed Trustee for the above-captioned Chapter 11 bankruptcy reorganization case.

2. Due to lack of operating funds with which to pay ongoing business expenses, the Trustee previously referred the majority of the Debtor's patient care to other facilities pursuant to this Court's emergency order. The Trustee has further assessed the Debtor's financial situation and business operations and concluded that there is no viable way for the Debtor to reorganize its affairs through a Chapter 11 reorganization. Additionally, there are continuing Chapter 11 administrative

1 expenses which accrue on a daily basis, including trustee's fees, professionals' fees and U.S. Trustee
2 quarterly fees. Based on these factors, the Trustee believes it is in the best interests of the Debtor's
3 estate and creditors to convert this case to a Chapter 7 liquidation proceeding, pursuant to 11 U.S.C.
4 §1112(b), which states:

5 (b) Except as provided in subsection © of this section, on request of a
6 party in interest of the United States trustee or bankruptcy
7 administrator, and after notice and a hearing, the court may convert a
8 case under this chapter to a case under chapter 7 of this title or may
9 dismiss a case under this chapter, whichever is in the best interest of
creditors and the estate, for cause, including -

(1) continuing loss to or diminution of the estate and
absence of a reasonable likelihood of rehabilitation;

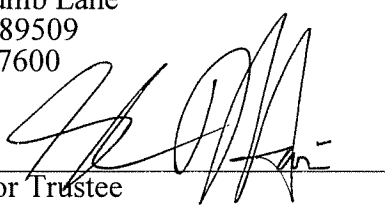
(2) inability to effectuate a plan;

...

10 **WHEREFORE**, ANGELIQUE CLARK, Trustee for the above-captioned jointly administered
11 Debtors, requests that this Court enter its Order converting this case to Chapter 7 liquidation
12 proceeding and for such other and further relief as the Court deems just under the premises.

13 DATED this 24th day of July, 2006.

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15 STEPHEN R. HARRIS, ESQ.
16 BELDING, HARRIS & PETRONI, LTD.
17 417 W. Plumb Lane
18 Reno, NV 89509
19 (775) 786-7600

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22 _____
23 Attorney for Trustee
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VERIFICATION

ANGELIQUE CLARK hereby swears under penalty of perjury that she is the duly appointed Trustee for the jointly administered Debtors in the above-entitled action; that she has read the foregoing **TRUSTEE'S MOTION TO CONVERT CASE TO CHAPTER 7 LIQUIDATION PROCEEDING** and knows the contents thereof, that the same is true of her own knowledge, except for those matters contained therein stated upon information and belief, and as to those matters, she believes them to be true.

Dated this 27th day of July, 2006.


ANGELIQUE CLARK, Trustee